

Report of the Director of City & Environmental Services

2012/13 Finance and Performance Outturn Report

Summary

1. This report provides details of the 2012/13 Outturn for both finance and performance in City & Environmental Services (excluding Highways, Waste and Fleet), Economic Development and Housing Services.

Analysis

Finance – Outturn overview General Fund

2. The current financial position within the City & Environmental Services Directorate (excluding Highways, Waste & Fleet) shows an underspend of £347k on a total net budget of £6,164k, an improvement of £110k on the Monitor 3 underspend of £237k. Economic Development has a budget of £759k and showed a year end underspend of £36k. The Housing General Fund has a budget of £841k and overspent by £52k. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Variance £'000
City & Environmental Services			
Strategic Planning & Transport	4,258	3,845	-413
City Development & Sustainability	1,839	2,182	+343
Director's Group	67	40	-27
Mitigation	0	-250	-250
Total	6,164	5,817	-347
Economic Development	759	723	-36
Housing Services (Gen Fund)	841	893	+52

Note: '+' indicates an increase in expenditure or shortfall in income
'-' indicates a reduction in expenditure or increase in income

3. Details of the main variations by service plan are detailed in the following paragraphs.

Strategic Planning and Transport (£-413k)

4. Car Parking income was £258k below budget which is made up of £10k short stay, £236k standard stay, £39k on-street and £27k surplus on Respark and season tickets. The shortfall was partly a result of bad weather during last summer, the continued effect of the economic downturn and the temporary closure of Haymarket car park due to archaeological works and autumn flooding.
5. There was £46k saving from reduced use of taxi cards, bus services and Dial & Ride, an underspend of £85k on employee costs within School Crossing Patrols, Drainage and Network Management (where a number of posts are unfilled), and £105k miscellaneous underspends. A further saving of £286k has been made on the bus service review to offset overspend elsewhere within the council.

Planning and Sustainable Development (£+343k)

6. The economic downturn has continued to have a significant impact income within the Planning Service. Income from planning applications was £298k below budget following a sharp decline in fees over the winter months. Income from building control was £210k below budget but offset by £114k staff savings. Income from local searches was £54k below budget due to low activity in the housing market, also offset by £42k staff savings. Underspends on supplies & services resulted in additional savings of £63k.

Director's Group (£-27k)

7. An underspend on the Apprentice budget (£-32k) was offset by £5k other costs.

Mitigation (£-250k)

8. The Council's contribution to highways works outside the Minster was funded by the capital programme budget, resulting in the release of £-250k from an earmarked reserve.

Economic Development (£-36k)

9. There was £-36k additional income from Newgate Market, speciality markets and other city centre activities.

Housing Services (£+52k)

10. Housing Services General Fund budget was £52k over budget. This is due to the building maintenance account recovering insufficient income resulting in an overspend of £55k and an allocation of cross directorate savings of £125k that were not achieved. This was offset by £128k miscellaneous staff savings, additional income and other savings.

Finance Housing Revenue Account (HRA) - Non General Fund account

11. The Housing Revenue Account opened with a general balance of £10,811k and the year end position identified an underspend of £890k resulting in an increase in the overall HRA balance of £1,919k. There were a number of underspends across the HRA within general management and sheltered housing. There were further underspends due to lower capital and debt charges and higher than assumed interest on cash balances.

Performance – Monitor 3 Overview

Priority: Get York moving

Access York

12. £15m of Government funding was secured for a £23m project to build two new Park & Ride (P&R) sites. Construction has begun at the Poppleton site which is scheduled for completion in May 2014. Bus priority measures have begun on the A59 and include new traffic signal junctions and refurbishment of existing junctions and an upgrade to the A59 roundabout. The Askham Bar site is being relocated and doubled in size. Both services will provide frequent ten minute journeys in and out of the city centre. P&R journeys have increased over the last five years with one million more

passenger journeys recorded and 4.3m (provisional figure) P&R journeys made in 2012 -13, rising from 4.06m in the previous year.

13. The new 'York Park & Ride' app provides live departure information, car park space availability in the five P&R sites and detailed route maps. The council launched the UK's first Park & Pedal scheme at the Designer Outlet Park & Ride site with commuters encouraged to park for free and cycle into the city centre.

Better Bus Area Fund

14. The Council received £3m of Government support to increase bus use and enhance the customer experience. The Better Bus Area Fund programme being delivered includes refurbishing bus stops and shelters, a new bus enquiry desk at York station, a bus/cyclist safety campaign and a travel survey of 16-18 year olds to help increase bus use by this group. New city centre interchange facilities and smart ticketing products are being developed - £650k has been allocated to develop the infrastructure for a smart ticketing system selling tickets from electronic street kiosks, Payzone points and outlets including universities and colleges. A trial of smart cards has taken place on the Unibus service.
15. An All York ticket covering the major bus companies was launched in September 2012. The aim is for all-York smart cards to be in place in 2014.

Cycling

16. York is the UK's 3rd cycling city with 25% of the adult population cycling regularly (behind Oxford 28% and Cambridge 47%).
17. York will host the second day of the Grand Départ (Tour de France) in July 2014.

i-Travel

18. The initiative launched in September 2012 to provide a range of innovative sustainable travel initiatives aimed at encouraging modal shift. Supported by £4.65m Government funding, highlights include a business travel planning service, personalised travel planning, i-travel website and mobile travel apps. The 'i-Travel York programme' aims to increase levels of cycling by 20%, walking by 10% by 2016 and bus use by 20% by 2015.

19. The level of available information in a range of formats has increased. A public transport information centre has opened at York railway station. Three downloadable bus apps have been launched. In addition to the P&R app, 'YorkLIVE' provides live traffic and travel information, including where roadworks and road closures are, how many available spaces there are in council car parks and live rail arrival and departure times. 'BusYork' helps bus users choose when and where to get their local bus service from, live departure times, route maps, specific bus information and service times, plus live Twitter feeds for the latest traffic and travel information.

Rail

20. York is set to benefit from the HS2 route which includes a York spur, with faster rail travel to London and key UK cities. Construction is due to start in 2017 and will open to passengers in 2026. York is working collaboratively with other local authorities along the East Coast Mainline to press the business case for further investment to improve ECML capacity, reliability and connectivity.

West Yorkshire Plus Transport Fund

21. York joined with West Yorkshire authorities to investigate the formation of the West Yorkshire Plus Transport Fund to realise City Deal and collaborative working opportunities. If the development of the fund is successful, potential schemes are improving access to Leeds/Bradford Airport, upgrading the Northern Outer Ring Road and Harrogate rail line, building a Clifton Moor Park & Ride, re-opening Haxby rail station and developing a York railway/bus interchange.

Areas for improvement

22. Numbers of non P&R bus journeys continue to decline - down 9% year on year against P&R bus journey provisional data that indicates a 6% increase in number of journeys over 2011/12. The Access York and Better Bus programmes are designed to meet these transport challenges in York.
23. It is unlikely that a contract for the Quality Bus Partnership will be devised and tendered by the initial completion date of March 2014 and is now likely to be December 2014.

24. Cycling Plans to develop an outer connecting cycle route in Haxby and Clifton Moor have been delayed and the link between the two Clifton Moor retail parks will be deferred into 2013/14.

Priority: Protect the environment

Climate change

25. The council continues to develop a range of initiatives to combat climate change with support for residents, tenants and businesses with significant progress made in the last year. The Council exceeded by 3% its own carbon target to reduce emissions by 25% since 2007 and options are underway to evaluate a new carbon management programme. Photovoltaic panels have been installed on the new HQ and in over 400 council homes with a target of a further 380 homes. A green audit has been completed with projects identified to deliver up to 445t of CO2 savings and feasibility work is already underway.
26. The council is delivering ways for residents to reduce their own emissions and save energy in their homes by partnering with the Leeds City Region (LCR) to procure a green deal provider. This will help residents to make energy efficient changes to their homes with no up-front cost and repaid via their household energy bill. A collective energy switching scheme has recently been piloted and 328 residents signed up. Those who did so are now set to save a total of £36,000 through switching to cheaper energy tariffs (the average saving across the region from the switch was £137). CERT funding has also helped residents receive over 1,200 energy efficient measures worth £341,000. The council has also received £123,000 to trial insulations for solid walls and £447,000 to help vulnerable residents with heating systems.
27. Work to the equivalent value of £10,000 has been secured via the Leeds City Region to create a Heat Map for York. This will be used to help identify opportunities for the development of strategic low carbon heat networks across the city. A Delivery and Innovation Fund (DIF) application was successful to carry out 3 pre-feasibility studies on a potential heat network which will be used to lever in investment to continue development of opportunities.

Flooding

28. To help protect the city from floods the council is updating the Strategic Flood Risk Assessment and Land Flood Strategy. The

Surface Water Management Plan was approved by Cabinet in December 2012. In 2012-13 the flood defence budget was adjusted, increasing allocation to Leeman Rd and Clementhorpe by £356k.

Work is beginning on a multi-million pound project to protect homes in a flood-prone area of York. The £3.2m scheme, which is partly funded with £1m from the council, will reduce the flood risk to almost 400 homes and businesses in the Water End area.

Priority: Create jobs and grow the economy

29. This is a priority for the council and is core to ensuring the sustained prosperity of the city and the financial security of the authority. The city's economy is increasingly competitive. The recent publication of the Municipal Journal and Local Futures' Inward Investment Guide to England put the city as one of the top five places for businesses to invest, and recent private sector employment in the city has grown by 20% from 2010 to 2012 – the highest growth rate in the region

Employment

30. In employment terms, York's economy continues to perform well with an overall employment rate of 75.9% (Source: LG Inform) which places York in the top quartile regionally and second quartile nationally. Latest figures show that this has increased to 78.2% (Source: Nomis December 2012). Latest figures show that York's unemployment rate was 2.2% in April (JSA claimants) whilst national and regional rates are at much higher levels (3.7% and 4.7% respectively). York has the joint fourth lowest youth JSA rate growth after Oxford, Cambridge and Aberdeen (Centre for Cities). This represents a continuation of the trend over the last two years of York positively increasing the gap between our local unemployment rate and the regional/national rate.
31. For the first time since 2007, average earnings for full time workers resident in York have risen above the national average. Average earnings for those working in jobs in York have also increased and York now sits second highest in the region for workplace pay, which shows significant progress in this area. Work is now focusing on part-time pay rates and wage levels for the lowest paid full-time workers to ensure that all York residents benefit from the economic prosperity of the city.

Businesses

32. The Council has been involved in both encouraging new businesses to come to York and supporting existing businesses. It held its second annual business conference in 2012. Recent data on business units (ONS) shows positive signs for York; the city has seen an increase in local business units from 7,870 in 2011 to 8,010 in 2012. There has also been an improvement in business survival rates. During the year York attracted 800 new jobs to the city, a key highlight being a deal with Hiscox. A new brand for independent retailers - "Proudly in York" - was developed to support the city's diverse and distinctive business offer.
33. The Council also achieved funding for enhanced broadband coverage and Wi-Fi through the Super Connected Cities bid and development of the York Core network with City Fibre Holdings.

Local Plan

34. Strategically the Local Plan plays a significant role in the development of the city and how it plans to realise its aspirations. It provides a master plan to meet York's growing needs and seeks to build 20,000 new homes by 2030.

Get York Building

35. The Get York Building programme has been established to increase the number of new homes built, especially the number of affordable homes. The Council is investing £7m and the scheme includes building new homes and council homes, bringing forward stalled brownfield developments quickly and reviewing planning policy to support sustainable growth. The Local Plan sets out ambitious targets to build between 1,090 -1,250 new homes per annum and by 2030 deliver over 20,000 dwellings. By March 2015 we expect almost 100 new affordable homes to be completed and work on around 200 to have started on site including up to 60 new council homes.
36. The target to build 126 new affordable homes just missed target with 115 new affordable homes built in 2012-13. The target has not been achieved due to delays with the Hungate development.

Skills and training

37. Helping residents into employment and ensuring they have the skills to take up employment opportunities remains a key commitment. Workforce skills are ranked 3rd best out of 64 cities.
38. Long term youth unemployment (16-24 year-olds) has now levelled off locally and has remained stable at 0.4% from July, well below the national and regional figures (currently 1.0% and 1.4%).
39. Two Jobs Fairs which ran in partnership between the council and Jobcentre Plus took place in 2012 and 2013, attracting circa 1500 attendees. These will be a regular feature in the city during 2013 and beyond.
40. An apprenticeship programme has given a large number of people the chance to learn new skills within the council's teams and the city as a whole supports over 1,600 apprentice positions.

Positioning York on a global stage

41. During 2012 York's profile was further raised through the celebration of York 800 the 800th anniversary of the City's Royal Charter. Over the last year the city has hosted visits by the Queen and the Duke of York. York also hosted both the Olympic and Paralympics torch relays. The Paralympics Lantern parade to Celebrate Agility Day at Energise was awarded the Inspire Mark from LOCOG for the third year running. Looking forwards the first ever northern full marathon will be staged in York in October 2013 supporting our move towards being the most active city in the country. Work is underway with Welcome to Yorkshire and the other local authorities in the Yorkshire region to prepare for the Tour de France coming to Yorkshire in July 2014. This includes the delivery of an extensive cycling legacy in partnership with British Cycling and the production of a 100 day Yorkshire-wide cultural festival.

Internationalisation

42. An Internationalisation Strategy for investment has been developed to promote York globally. The Council supported the re-introduction of the Leeds-Bradford-Heathrow flight connection to encourage further investment in the region.
43. Work is ongoing with China, France, Germany, US and Latin America to progress the interest of the city and its businesses. There are discussions ongoing with the city of Nanjing to explore

the development of a city collaboration to establish a platform for further engagement in the Chinese market.

44. Follow on from the city's trip to Dijon in 2012 has yielded an opportunity for a secondment of a Visit York employee to Dijon, which is enabling the building of relationships with the city on, particularly, the visitor economy and opportunities for attracting visitors to York from Dijon, but the Council is also providing information for building the links in other industries which may offer trade relationships—including biosciences and biorenewables.
45. York also attended the MIPIM international property fair in Cannes during 2013 to showcase the city's huge potential for investment and development in key and strategic sites around the city. This event has generated a number of follow up visits to the city of York from investors and developers (both commercial, leisure and residential), and an investors week is being planned in October to attempt to broker partnerships where appropriate.

Areas for Improvement:

46. Footfall performance in York has weakened during 2012/13 and parking transactions and revenue are also down. This trend is mirrored in data from the Visitor Information Centre, the major York tourist attractions and Coach Parking.
47. Work is ongoing with the City Team York to identify a programme of activity that will enable a boost in footfall for the city centre, and the Council's Economic Development Team are working to bring further business into the city centre, which will bring greater employment to the centre and thus greater natural footfall and more attractions for visitors and residents to stay and spend in the city centre economy.
48. Although average earnings are increasing, the pay gap between the lowest paid and the average is increasing. The Council is addressing this issue by adopting a living wage for its employees, encouraging other businesses in the city to follow suit and prioritising work on poverty.
49. The proportion of full-time workers has decreased by 8.1% since 2010/11 - the region and GB reducing by 0.9% and 0.2% respectively. The part-time proportion has increased by the same amount. There is some evidence that men are taking on second jobs to account for the shift from full to part-time in their primary jobs. This could affect the poverty agenda.

50. The Cabinet has agreed to invest £200k of Economic Infrastructure Funding (EIF) into the economic inclusion agenda, which includes a full package of measures to connect people to jobs and opportunity, which will go some way to addressing the poverty agenda. A series of job fairs and work experience programmes will be put in place to ensure greater opportunity for York residents.

Priority: Build Strong Communities

Housing

51. There is an emerging challenge with tenant rent arrears increasing due to challenges around welfare reform and the introduction of the bedroom tax. A corporate Welfare Reform Task group has been established, including voluntary sector partners, to mitigate the effects of welfare reform on rent arrears and increases in other debt.
52. Residents directly affected by changes have been identified and a range of initiatives to raise awareness and provide support is underway including: the creation of two 'Community Debt & Employment Adviser' posts to provide advice on debt, benefits, training and employment opportunities to individuals and families; using £27k DWP grant the Housing Options service is targeting advice and support to tenants affected by Local Housing Allowance changes in partnership with the Salvation Army; a 'Money Matters' guidance booklet has been published with the CAB and Aviva to help residents manage their own finances; and a new 'Gateway service' drop in and telephone advice service provided by CAB and partners has been launched.

Homelessness

53. There is a mixed picture on homelessness in York. The number of homeless households living in temporary accommodation is stable at 99, but remains above last year's position and the ambitious target of 85. The increase reflects national trends in the current challenging economic climate. However, the number of homeless households with dependent children living in temporary accommodation has reduced as has the number of 16 to 17 year olds accepted as homeless. The Homeless Strategy has been refreshed and the No Second Night Out initiative is running with the

primary accommodation providers (ArcLight, Peasholme and Howe Hill for Young People) offering emergency beds to rough sleepers.

Planning

54. The performance of determination of planning applications (for all categories) remains above the national average. The Development Management team are working closer with the development industry to satisfy their local needs rather than simply meeting 8 and 13 week target times. Local targets are being adjusted to respond to these circumstances. Data for the last quarter demonstrates an improvement across all three categories.

Areas for improvement

55. The number in temporary accommodation has risen in line with the significant increase in homelessness and numbers in temporary accommodation nationally (see Homelessness section above). That said, the number of households living in temporary accommodation in York continues to be well below the national average of 1.8 per 1000 households (Source: LG Inform), and still appears in the second quartile nationally. Although York is in the bottom quartile regionally.
56. Current tenant rent arrears and the percentage of tenants evicted due to arrears has been increasing. This was expected as a result of changes to welfare.

Council Plan

57. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan

Implications

58. There are no financial, human resources, equalities, legal, crime & disorder, information technology, property or other implications associated with this report.

Risk Management

59. The report provides Members with updates on finance and service performance and therefore there are no significant risks in the content of the report.

Recommendations

60. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the latest finance and performance position.

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Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

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